

REPORT

ADAPT, INC.

Bogalusa, Louisiana

**Financial Statements  
For the Year Ended  
December 31, 2013**

**MINDA B. RAYBOURN**

*Certified Public Accountant*

820 11<sup>TH</sup> AVENUE  
FRANKLINTON, LOUISIANA 70438

**Adapt, Inc.**  
**Bogalusa, Louisiana**

**Financial Statements**  
**As of and for the Year Ended**  
**December 31, 2013**  
**With Supplemental Information Schedule**

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# Minda B. Raybourn

*Certified Public Accountant*

*Limited Liability Company*

820 11<sup>TH</sup> AVENUE  
FRANKLINTON, LOUISIANA 70438  
(985) 830-4413  
FAX (985) 830-4402

MEMBER  
A.I.C.P.A.

MEMBER  
L.C.P.A.

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Adapt Inc.  
216 Memphis Street  
Bogalusa, LA 70427

I have reviewed the accompanying Statement of Financial Position of Adapt Inc. (a non-profit organization) as of December 31, 2013, and the related Statement of Activities and Cash Flow for the year then ended. A review includes primarily applying analytical procedures to the owner's financial data and making inquiries of the owner. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

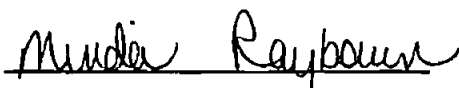
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

My review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included on page 12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. I have not compiled, reviewed, or audited the supplementary information, and do not express an opinion or provide any form of assurance on it.

In accordance with the *Louisiana Governmental Audit Guide* and the provision of state laws, I have issued a report, dated July 15, 2014 on the results of my agreed-upon procedures.



Minda Raybourn CPA  
July 15, 2014  
Franklinton, LA

**ADAPT, INC.**

Statement of Financial Position

As of December 31, 2013

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**ASSETS**

Current assets:

Cash and cash equivalents	\$ 92,350
Grant receivables	<u>40,797</u>
Total current assets	<u>133,147</u>

<b>Total Assets</b>	<u><u>\$ 133,147</u></u>
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**LIABILITIES AND NET ASSETS**

Current liabilities:

Payroll payable	\$ <u>4,970</u>
Total current liabilities	<u>4,970</u>

<b>Total Liabilities</b>	<u>4,970</u>
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Net Assets:

Unrestricted	<u>128,177</u>
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<b>Total Net Assets</b>	<u>128,177</u>
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<b>Total Liabilities and Net Assets</b>	<u><u>\$ 133,147</u></u>
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See accompanying notes and independent accountant's review report.

**ADAPT, INC.**

## Statement of Activities

For the year ended December 31, 2013

<b>Functions/Programs</b>	<b>Temporarily Restricted</b>			
	<b>Expenses</b>	<b>Grants Revenues</b>	<b>In-Kind Services</b>	<b>Increase/ (Decrease)</b>
<b>Federal and State Grant Activity</b>				
Rape prevention education	\$ 14,856	\$ 17,815	\$ -	\$ 2,959
Rape counseling program	47,327	38,362	9,045	80
Sexual assault program	12,476	14,087	-	1,611
Sexual assault service program	13,996	13,591	-	(405)
Children trust fund	1,227	1,007	-	(220)
Tobacco free living	14,317	32,600	-	18,283
Addictive disorder	80,320	78,780	-	(1,540)
Total Federal and State Grant Activity	<u>184,519</u>	<u>196,242</u>	<u>9,045</u>	<u>20,768</u>
<b>General Revenues</b>				
Drug screening fees				35,813
Other fees DNA, Wellness				526
Counseling fees				25,680
United Way proceeds				8,074
Other Revenue				<u>5,270</u>
Total Unrestricted Revenue				<u>75,363</u>
<b>Expenses</b>				
Drug screening expenses				14,140
Other fees DNA, Wellness				2,115
Consultant expenses				14,316
Personnel Costs				60,591
Other Operating Expenses				7,920
Total Expenses				99,082
Change in Net Assets				(2,951)
Net Assets, Beginning				<u>131,128</u>
Net Assets, Ending				<u>\$ 128,177</u>

See accompanying notes and independent accountant's review report.

**ADAPT, INC.**

## Statement of Cash Flow

For the year ended December 31, 2013

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**Cash Flows From Operating Activities**

Change in Net Assets (2,951)

Adjustments to Reconcile Operating Income to Net Cash

Flows From Operating Activities:

Increase in Grants Receivable (19,658)

Decrease in Payroll Tax Payable 2,591

Net Cash Flows From Operating Activities \$ (20,018)**Net Change in Cash and Cash Equivalents** (20,018)**Cash and Cash Equivalents - Beginning of Year** 112,368**Cash and Cash Equivalents - End of Year** \$ 92,350

See accompanying notes and independent accountant's review report.

**Adapt, Inc.**

Notes to Financial Statements

December 31, 2013

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Corporation and Nature of Activities**

**Adapt, Inc.** (the "Organization") is a Louisiana non-profit corporation formed on July 22, 1994. The Organization's purpose is to provide education and out-patient therapy and assessments in the area of substance abuse; to provide education, out-patient therapy and assessments to victims of sexual assault; to provide general mental health and social services through collaboration, coordination, education, assessment, and intervention, and to enter into any lawful business activity which corporations organized under Revised Statute 12:201 et seq. engage, either for its own account or on behalf of others as an agent.

**Basis of Presentation**

The financial statements are prepared on the accrual basis of accounting based on accounting principles generally accepted in the United States. The Organization follows the guidance provided by the Financial Accounting Standards Board in its codification of accounting standards (ASC 958). Under these standards, the Organization is required to report its financial position and activities in three classes based on the existence of donor-imposed restrictions regarding the use of the assets. The classes of net assets are as follows:

**Unrestricted net assets** represent those net assets which are not subject to any donor imposed restrictions and, therefore, may be utilized at the discretion of the organization.

**Temporarily restricted** net assets result from contributions and other inflows of assets whose use is limited by donor imposed restrictions that expire by passage of time or upon the fulfillment of the donor imposed restrictions by the Organization.

**Permanently restricted** net assets result from contributions and other inflows of net assets whose use by the Organization is limited by stipulations that do not expire or otherwise cannot be removed by the Organization.

**Revenue Recognition**

The Organization receives the majority of its funding through federal grants which are passed through local state agencies. Revenue from grants is recognized at the time that the underlying expenses which are reimbursable according to the terms of the grant are incurred.

The Organization also provides services on a fee for service basis. These services include drug screening and counseling. Revenue from such services is recognized at the time the services are provided to the client.

**Adapt, Inc.****Notes to Financial Statements****December 31, 2013**

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**Cash and Cash Equivalents**

For the purpose of the statement of cash flows, the Organization considers all short-term debt securities with maturity of three months or less to be cash equivalents.

**Grant Receivables**

Grant receivables represent amounts due for reimbursement of expenses which had been incurred by the Organization as of December 31, 2013, which were reimbursable under federal grants, and which had not been reimbursed to the Organization as of December 31, 2013.

**Income Taxes**

The Organization is a not-for-profit corporation that is exempt from both federal and Louisiana income taxes under Section 501(c)(3) of the Internal Revenue Code and R.S. 12:201 of Louisiana Statutes. Accordingly, the Organization has not provided any provision for income taxes in the financial statements.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the financial statement date and revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2: CASH AND CASH EQUIVALENTS**

The Corporation's cash equivalents at December 31, 2013 were comprised of demand deposits in the amount of \$92,350. These deposits are stated at cost, which approximates market. Under state law these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must all time equal the amount on deposit with the fiscal agent. At December 31, 2013 the Corporation has \$96,735 in deposits (collected bank balance). These deposits are fully secured from risk by federal deposit insurance.



**NOTE 3: RECEIVABLES**

The Corporation's receivables consist of reimbursements due for federal grant expenditures. Amounts due as of December 31, 2013 were as follows:

Rape Prevention Education	\$ 3,306
Rape Counseling Program	7,987
Sexual Assault Counselor Program	5,575
Sexual Assault Service Program	11,875
Sexual assault service program	<u>12,054</u>
	<u>\$ 40,797</u>

**NOTE 4: LEASE**

On July 1, 2012, the Corporation entered into a 2 year lease agreement for the property located at 216 Memphis Street, Bogalusa, Louisiana. Payments required under this lease are \$1,100 per month for 24 months and will terminate on June 30, 2014. The lease agreement is renewable for two successive two-year terms commencing on July 1, 2014.

**NOTE 5: SCHEDULE OF FEDERAL GRANT AWARDS**

Grants from governmental agencies include the following for the year ended December 31, 2013:

	<u>Federal CFDA Number</u>	<u>Pass Through Grantor Number</u>	<u>Federal Expenditures</u>
<b><u>FEDERAL GRANTS</u></b>			
<b>United States Department of Health and Human Services</b>			
<b>Louisiana Department of Health &amp; Hospitals</b>			
FY 12-13 Rape Prevention Education	93:136	CFMS627482	\$ 7,192
FY 13-14 Rape Prevention Education	93:136	CFMS627482	7,664
FY 12-13 Childrens Trust Fund	93:136	CFMS651972	1,227
FY 13-14 Addictive Disorder	93:136	CFMS692642	38,350
FY 12-13 Addictive Disorder	93:136	CFMS692642	41,970
<b>United States Department of Justice</b>			
<b>Louisiana Commission on Law Enforcement</b>			
FY 13-14 Rape Counseling Program	165:75	CO 11-5-009	39,340
FY 12-13 Rape Counseling Program	165:75	CO 10-5-008	38,350
FY 13-14 Sexual Assault Counselor	165:88	MO 12-8-021	9,120
FY 12-13 Sexual Assault Counselor	165:88	MO 11-8-021	3,356
FY 13-14 Sexual Assault Service Program	165:88		11,875
FY 12-13 Sexual Assault Service Program	165:89		<u>2,121</u>
<b>Total Federal Grant Expenditures</b>			<b>\$ <u>200,565</u></b>

## Supplemental Information

**ADAPT, INC.**

## Schedule of Board Members

For the year ended December 31, 2013

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	TERM
Sandra Bloom, President 409 Salem Drive Bogalusa, La 70427 985-740-4227	1/1/13-12/31/13
Merlin Duke, Vice President 433 Plaza Bogalusa, LA 70427 985-730-6800	1/1/13-12/31/13
Michelle Knight, Treasurer 64284 Foster Town Road Angie, La. 70426 985-732-3691	1/1/13-12/31/13
Merlin Duke, Board member 433 Plaza Bogalusa, La 70427 985-730-6800	1/1/13-12/31/13
Tommie Gayle Sorrell 302 Mississippi Ave. Bogalusa, LA 70427 985-661-2024	1/1/13-12/31/13
Effie Clayton 58428 Jake Talley Bogalusa, LA 70427 985-516-5355	1/1/13-12/31/13
Erin Killingworth 1403 North Avenue Bogalusa, La 70427 985-735-0322	1/1/13-12/31/13
Charlette Fornea, Chief Executive Officer 25705 Coleman Street Angie, La. 70426 985-735-0322	1/1/13-12/31/13

See independent accountant's review report.

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

# **MINDA B. RAYBOURN**

*Certified Public Accountant*

820 11<sup>TH</sup> AVENUE  
FRANKLINTON, LOUISIANA 70438  
(985)839-4413  
FAX (985)839-4402

MEMBER  
A.I.C.P.A.

MEMBER  
L.C.P.A.

## **INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

Board of Trustees of  
Adapt, Inc.

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Adapt, Inc., and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Corporation's compliance with certain laws and regulations during the period ended December 31, 2013 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representations regarding the sufficiency of the procedures described below neither for the purpose for which this report has been requested nor for any other purpose.

### Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LAS-RS 38:2211-2251 (the public bid law).

The Corporation did not have any purchases that exceeded \$30,000 or public works expenditures exceeding \$150,000. The Trustees are aware of the bid law and stated they would comply with the law.

### Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list of board members, their immediate family members, and their outside business interests. I scanned cash disbursements journals for any related party transactions, there were none that came to my attention.

3. Obtain from management a listing of all employees paid during the period under examination.

The Corporation provided me with a list of all employees paid during the fiscal year ended December 31, 2013 along with a copy of their W-2's.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in procedure (2) as immediate family members.

There were no employees names included on the list of immediate family members provided by the board members.

### Budgeting

5. Obtain a copy of grant Awards.

I reviewed the grant awards by comparing the revenues and expenditures to the grant awards. The agency was in compliance with the various grant awards.

### Accounting and Reporting

6. Randomly select six disbursements made during the period under examination and:

(a) Trace payments to supporting documentation as to proper amount and payee:

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) Determine if payments were properly coded to the correct fund and general ledger account;

The six payments I examined were coded to the correct general ledger accounts and proper fund.

(c) Determine whether payments received approval from proper authorities.

Inspection of documentation supporting the six selected disbursements indicates approval to purchase from proper authorities.

### Meetings

7. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1-12 (the open meetings law).

Adapt Inc.'s board of trustees meets quarterly. The notice of meeting and agenda is posted on the door of the of Corporation's office two days prior to each meeting. Management has asserted that the agenda was properly posted. I examined copies of meeting notices containing date, time, place and business to be conducted, which are filed with the minutes of each meeting.

### Debt

8. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

I inspected copies of all bank deposits for the period under examination and did not detect any deposits which appeared to be proceeds of bank loans, bonds or like indebtedness.

### Advances and Bonuses

9. Examine payroll records and minutes for the year to determine whether any payments have been made to employees, which may constitute bonuses, advances, or gifts.

I scanned cash disbursement records and minutes for evidence of any payments which may constitute employee bonuses, employee advances, or gifts to Board members, none were noted. I compared the yearly earnings report to the W-2's.

I was not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Adapt Inc. and the Legislative Auditor, State of Louisiana and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



Minda B. Raybourn  
Certified Public Accountant

July 15, 2014



**LOUISIANA ATTESTATION QUESTIONNAIRE**

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Quasi-public Agencies)**

7/15/14 (Date Transmitted)

Minda B. Raybourn CPA LLC  
820 11<sup>TH</sup> Ave

Franklinton, LA 70438  
(Auditors)

In connection with your review of our financial statements as of December 31, 2013 and for the period then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of July 14, 2014(date of completion/ representation).

**Federal, State, and Local Awards**

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes ☐ No ☐

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes ☒ No ☐

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes ☐ No ☐

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes ☐ No ☐

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law).

Yes ☐ No ☐

**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes ☐ No ☐

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

<u>Wendy Kildinger</u>	Secretary	<u>5/30/14</u>	Date
<u>Matthew Knight</u>	Treasurer	<u>5/30/14</u>	Date
<u>Andrea Bloom</u>	President	<u>5/30/14</u>	Date